

105TH CONGRESS
1ST SESSION

H. R. 2235

To amend the Small Business Act to make permanent the microloan program,
and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 24, 1997

Mr. BALDACCI (for himself and Mr. LAFALCE) introduced the following bill;
which was referred to the Committee on Small Business

A BILL

To amend the Small Business Act to make permanent the
microloan program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; PURPOSE.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “Small Business Microloan Program Improvement Act”.

6 (b) **PURPOSE.**—To make permanent the microloan
7 program, increase loan limits, and improve the loan loss
8 reserve fund.

1 **SEC. 2. MICROLOAN PROGRAM.**

2 (a) LOAN LIMITS.—Section 7(m)(3)(C) of the Small
3 Business Act (15 U.S.C. 636(m)(3)(C)) is amended by
4 striking “\$2,500,000” and inserting “\$3,500,000”.

5 (b) LOAN LOSS RESERVE FUND.—Section
6 7(m)(3)(D) of the Small Business Act (15 U.S.C.
7 636(m)(3)(D)) is amended by striking clauses (i) and (ii)
8 and inserting the following:

9 “(i) during the initial 5 years of the
10 intermediary’s participation in the program
11 under this subsection, at a level equal to
12 not more than 15 percent of the outstand-
13 ing balance of the notes receivable owed to
14 the intermediary; and

15 “(ii) in each year of participation
16 thereafter, at a level equal to not more
17 than the greater of—

18 “(I) 2 times an amount reflecting
19 the total losses of the intermediary as
20 a result of participation in the pro-
21 gram under this subsection, as deter-
22 mined by the Administrator on a case-
23 by-case basis; or

24 “(II) 10 percent of the outstand-
25 ing balance of the notes receivable
26 owed to the intermediary.”.

1 (c) AUTHORIZATION OF APPROPRIATIONS.—Section
2 7(m) of the Small Business Act (15 U.S.C. 636(m)) is
3 amended—

4 (1) in the subsection heading, by striking
5 “DEMONSTRATION”;

6 (2) by striking “Demonstration” each place
7 that term appears;

8 (3) by striking “demonstration” each place that
9 term appears; and

10 (4) in paragraph (12), by striking “during fis-
11 cal years 1995 through 1997” and inserting “during
12 fiscal years 1998 through 2000”.

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